

My name is Ralph Grossi. I am a dairy farmer and rancher from the northern coast of California. For the past 16 years I have also served as the President of American Farmland Trust. Today I am here to testify on behalf of 14 national and regional conservation and farm organizations identified on the title page.

Our fundamental message to this Committee today is that conservation should be the focal point of the next Farm Bill. Rewarding farmers for environmental stewardship, and helping farmers develop markets for the products of environmentally friendly farming techniques can reward more family farmers needing assistance, can do so without encouraging crippling crop surpluses, and can promote rapid progress on a wide range of critical national environmental objectives.

No activities are as critical to the future of the nation's landscape and environment as agriculture and private forestry. Private crop, pasture, and range lands account for 50% of the land in the contiguous United States. Private forests account for another 20%. It is time for federal policy to recognize that through improved stewardship of the land, farmers and private forest owners can provide

not only food and fiber, but also clean water, habitat for native wildlife, a barrier against sprawling development and other public benefits. The price of farm commodities has fallen in real terms for decades, but the value society places on the environmental quality farmers and foresters can provide is rising. The next Farm Bill should be designed to help farmers provide environmental quality and reward them when they do so.

In doing so, Congress should design conservation programs that promote widely dispersed financially viable family farms and ranches because they in turn promote related businesses that make up the economic and social backbone of many rural economies. If helped to thrive, farms and ranches can help secure the health and vitality of rural communities. And Congress should recognize that improved farming practices can address issues of great importance to public health by reducing human exposure to harmful bacteria and pesticides.

The next Farm bill can provide the funds to help farmers achieve these goals for the environment, farm communities, and public health.

The Opportunity

Much has been accomplished since President Theodore Roosevelt launched the American conservation movement a century ago; however, the failure to recognize the importance of conservation on private land has been a critical missing link. Agricultural programs since the New Deal can take pride in making great progress against soil erosion, but the need for private land stewardship includes more extensive goals that farm conservation programs have only touched.

This Committee has a historic opportunity to craft the next Farm Bill in a manner that properly recognizes the importance of private land stewardship. In 1996, this Committee had to craft a bill that fit direct aid to farmers into a budget of \$7.5 billion; but real spending has skyrocketed to a record \$32 billion in fiscal year 2000. Because in its budget resolution Congress has made an average of \$21 billion per year available for a five-year farm bill, this

Committee has the resources to craft a bill to address private stewardship challenges on an appropriate scale.

Previous programs have firmly demonstrated that farmers will do their share to tackle conservation challenges if given adequate support, but conservation programs are badly oversubscribed. More than half of all farmers seeking technical assistance to enhance their stewardship are turned away. So too are three out of every four farmers seeking help from the EQIP program to improve water quality, or help from the Wetland Reserve Program to restore wetlands. And approximately 4,000 farmers and ranchers in the path of sprawl who are willing to sell development rights to maintain productive farms near metro areas have been rejected due to inadequate funds.

They are turned away because conservation spending since the last farm bill as a percentage of direct aid to farmers has greatly declined, from almost one third in 1996 and 1997 to 6% in the last fiscal year. We applaud the Agriculture Committee for its decision to authorize a comprehensive farm bill. Without a new, broader approach that makes conservation a focal point, farm spending will not meet the needs of most farmers, consumers, or the environment. A new farm bill should focus \$11.8 billion per year on conservation programs and stewardship incentives, as well as programs for research, marketing, and rural economic development that support independent and resource-conserving farms.

Challenges and Opportunities for Public Health and the Environment

Farmers want to take practical steps to improve water supplies, wildlife habitat, and long-term soil productivity. A reoriented farm bill can help meet a broad array of challenges,

and help farmers, ranchers, and foresters attain the environmental quality the public is demanding.

- **Water Quality:** According to the Environmental Protection Agency, more than a third of the nation's assessed rivers and lakes are too polluted to allow fishing, drinking, or swimming. The quality of the nation's water depends on what happens to rainfall after it falls as it runs off the land. Because 88% of all rainfall falls on private land, and because most private land is agricultural land, it is not surprising that agriculture is one of the leading sources of polluted runoff. But with sufficient incentives and support for expenses, farmers can significantly improve water quality by changing how and when they plow and apply fertilizer, by planting winter cover crops, by diversifying rotations, and by restoring wetlands and streamside buffers.
- **Sprawl:** Farmers and ranchers serve as the frontline against sprawling development. But according to the USDA's Natural Resource Inventory, more than 2 million acres of rural land continue to be converted to urban uses every year, much of which is prime farmland. Significant federal support of the Farmland Protection Program to match local and state contributions can ensure these lands remain in agriculture, help local communities manage growth, and appropriately compensate landowners for their commitment.

- **Safe Food:** Although America's food supply is considered one of the safest in the world, large numbers of Americans still become sick each year from food contaminated by bacteria found in animal waste. Excessive or misused pesticides still threaten worker and consumer health, and heavy use of antibiotics in factory farm and feedlots for purposes other than treating animal disease contributes to the development of drug-resistant bacteria. Federal programs to develop better management techniques for manure use can assure that harmful bacteria does not find its way onto food or into water, which can cause outbreaks of illness. Thorough composting and pasteurization should be encouraged to help ensure that manure is stored and used safely. Federal programs can also promote safer livestock practices, help farmers adopt systems that use fewer antibiotics, and help farmers greatly reduce pesticide use by implementing practices such as crop rotations, integrated pest management and, for some farmers, transition to organic farming.
- **Native Wildlife and Endangered Species:** Most imperiled species rely heavily on private lands. According to the best scientific estimates, the survival of one-third of the nation's imperiled species now depends heavily on efforts by farmers and ranchers to preserve and enhance private woodlands, grasslands, and other habitats, conserve water, reduce farm chemicals, and shade and stabilize streams – efforts that need public support. Farm programs can help not only by purchasing easements to preserve habitat, but by providing financial assistance for farmers and private woodland owners to enhance the habitat value of the land they own. These include the extensive lands that are not being farmed and for which farmers are now receiving little reward.
- **Enhanced Pasture, Range and Private Forest Lands:** The vast majority of farmland in the United States is pasture, hay and rangeland. While it produces much of this country's food, this kind of farming receives almost no federal support. Help is badly needed to purchase conservation easements on these lands, particularly in areas facing extensive sprawl. Vast improvements in water quality, wildlife habitat and the productivity of grasses can also be achieved through increased use of rotational grazing and other grass and rangeland enhancement measures that farm programs should be supporting.
- **Reduce Flood Damages:** Support for farmers to restore wetlands on frequently flooded fields can reduce flood damages downstream, improve water quality and reduce the need for federal disaster aid. USDA today faces a backlog of 560,000 acres of land that farmers would like to restore as wetlands if funds were available. And according to USDA estimates, its wetland conservation program ("Swampbuster") prevents the loss of another 6 to 13 million acres of wetlands otherwise at risk.
- **Climate Change:** Many of the practices that reduce polluted runoff or enhance wildlife habitat also help sequester carbon, turn methane into energy, reduce nitrous oxide, and otherwise reduce gasses that contribute to global warming. In addition, many of the country's best wind and solar energy resources are located on farmlands, providing farmers an opportunity to reduce greenhouse gases and generate income. Federal programs can also help farmers develop markets to sell verifiable true reductions in greenhouse gasses to industry.

Why Conservation Programs Can Help Farmers and Farm Communities

It is no surprise to this Committee that many farmers and ranchers also face serious economic problems. When federal farm programs began, there were more than six million farms; today there are fewer than 2 million. While the rate of decline in total farms has slowed in the last decade, the number of farmers able to make a living off their farm continues to decline sharply. Today's Farmers face increasingly

concentrated and diminished marketing alternatives, and record low prices.

Many farm programs have probably exacerbated these declines because they primarily support farmers only to the extent they grow large volumes of a small number of "program crops."

Such limited policies have let farmers down in several ways.

- According to USDA, they provide no direct support to two-thirds of all producers.
- They fail to reward farmers and ranchers who meet environmental challenges through diversified farming systems that can be more sustainable and lighter on the land. This problem particularly affects farms that rely on grass for dairy or livestock, farms that produce a diverse array of products, and indeed any farm whose business model focuses on qualities other than volume. With the prices of commodities on the decline, many farmers will not survive unless they shift their business models. Commodity programs will not help them make the necessary transition.
- Current farm policies encourage increased production of a few "program crops", which shifts lands from pasture to crops that provide fewer habitats and use more fertilizer and pesticides. While that stresses the environment, these policies also increase the likelihood of crop surpluses, which drives down prices further for all grain and cotton farmers.
- Current farm policies direct the bulk of funds to a small number of large farms, encouraging consolidation of land into fewer hands. That not only fails to help many family farmers, but by reducing the number of farmers productively engaged, it stresses agricultural communities.
- Current farm policies provide little help to a new generation of young farmers get started in agriculture.
- Current farm policies invest little in research, food production, and marketing systems for "sustainable" farming, and fail to address increasing concentration and market access problems.

A broad conservation title can do much to help farmers and farm communities. Stewardship incentives can be shaped to support income, not just defray some of the costs of environmental measures, and can be offered to all kinds of farmers. Programs can help farmers make the transition to new promising markets that reward environmental stewardship often with premium prices. These programs can help both farmers and the environment by supporting efforts to diversify production, which often means more diverse rotations that reduce the need for chemical inputs. These programs can help farmers find new marketing opportunities to increase their share of the food

dollar. And these programs can help farmers and ranchers thrive by purchasing and therefore rewarding them for the development value of their lands while providing capital for them to re-invest in farming.

There is an alternative. Farm policy can work better for farmers, ranchers, private forests, rural communities, public health and the environment.

In general Congress should devote half the available funding of approximately \$21 billion per year to a conservation title and related support for research, marketing, and rural economic development that support independent and resource-conserving farms. This title should:

- Provide stewardship payments to farmers and ranchers who reduce fertilizer and pesticide use, prevent soil erosion, rotate crops, adopt resource-friendly grazing systems, and manage manure more safely and effectively as a resource. Such programs should be structured both to achieve environmental benefits and to support income.
- Purchase easements to preserve farmland, rangelands, and forests threatened by sprawl.
- Create incentives for farmers to enhance and preserve native grasslands, restore wetlands, stream buffers, and other sensitive lands and improve habitat for native, plant and animal species.
- Target farm payments more toward medium-sized and smaller farms and support programs for new farmers.
- Provide grants to help family farmers and ranchers to develop markets and add value for resource-conserving farm techniques and diverse farm products, to retain that value in farming communities, and to take steps to restore competition to the marketplace.
- Increase funding for research programs to develop and test new environmentally oriented farming techniques and systems, and marketing policies to assist family farmers to meet resource conservation and farm income goals.
- Increase the technical assistance needed to deliver programs and respond to farmer needs.
- Provide grants and incentives for farmers and rural communities to identify and utilize available renewable energy resources, and develop markets for real and verifiable reductions in greenhouse gasses.
- Maintain and strengthen “Sodbuster” and “Swampbuster” to assure that farm programs do not encourage plowing up highly erodible land or draining wetlands.